



February 14, 2013

Mr. Jeff Tannler
Statewide AMA Director
3550 North Central Avenue
Phoenix, AZ 85012

RE: Enhanced Aquifer Management: Alternative Cut to the Aquifer

Dear Mr. Tannler,

Thank you for giving the Town of Prescott Valley (Town) an opportunity to comment on the Arizona Department of Water Resources' (ADWR) draft concept paper (proposal) on Enhanced Aquifer Management. Although the proposal outlines a broad concept on how ADWR would restrict the withdrawal of recharge credits, it is difficult to analyze the potential impacts on the Town and the Prescott AMA without more specific information. At this time, the Town will reserve most of its comments pending the availability of more specific information. Some of the questions that come to mind are:

1. The proposal contains two problem statements 1) to reach safe yield and 2) to manage water levels at local levels. What is the primary problem that ADWR is trying to resolve?
2. Is the problem the same, or at the same scale, in each AMA?
3. Has ADWR performed an objective technical analysis to predict whether this proposal will successfully address the problem? If so, is this analysis specific to each AMA?
4. What legal process will ADWR use to enact the proposal (e.g. through policy, adoption of rules or new legislation)?

In general, the Town agrees with stated purpose of the proposal, "to identify additional approaches to reaching Safe Yield". The Town has developed its own plan to address its portion of groundwater overdraft in the Prescott AMA and has already spent millions of dollars toward reaching this goal. In 2006, ADWR issued a Physical Availability Determination (PAD No. 20-402187.0000) to the Town that facilitated the sale of Town effluent credits to a private party. The resulting contract between the Town and the private party requires that the recharged effluent credits be fully recovered without cuts to the aquifer. It is unclear how the proposal, if enacted, might impact our private party contract. It does appear that the proposal would add unnecessary costs for recovering credits by making the Town locate recovery wells near the recharge facilities, regardless of any other realities such as geologic and hydrologic conditions, water quality concerns, infrastructure requirements, etc.

The proposal lists several objective of Arizona's Underground Water Storage (UWS) Program, including "encouraging the use of renewable water supplies" and "Allowing for the efficient and

cost-effective management of water supplies by allowing the use of storage facilities...instead of constructing ...treatment and pipeline distribution systems". Application of the proposal in the Prescott AMA will clearly run contrary to these objectives and provide a disincentive to the use of renewable water supplies. With very limited opportunities and small quantities of alternative water supplies (relative to other AMAs), the Town and other water providers in the Prescott AMA will be required to spend additional capital to build distribution systems and additional wells in order to recover recharge credits that would otherwise be recoverable with the existing infrastructure.

The Town and other major water users have demonstrated a willingness to address safe yield and have developed specific plans to reach this goal. We feel that a collaborative partnership with ADWR to develop a safe yield plan for the Prescott AMA will be much more effective and cost-efficient than employing a blanket program like the one outlined.

Please let me know if you have any questions or concerns. We will anticipate additional information about this proposal from your agency before commenting further.

Sincerely,

A handwritten signature in black ink, appearing to read "John Munderloh". The signature is written in a cursive style with a large initial "J" and "M".

John Munderloh
Water Resources Manager